

## Appendix 1: Description of Variables

Variables	Abbreviation	Measurement
<b>Dependent Variable</b>		
Firm Performance	Tobin's-q	(Equity value + Book value of long-term debt + Net current liabilities)/ (Value of total assets) [1, 103, 104, 105, 106].
<b>Independent Variables</b>		
Accounts Receivables Turning Days	ARTD	(Accounts receivable/sales)* No. of days in a period [5, 12].
Inventory Turning Days	ITD	(Inventory/cost of goods sold)* No. of days in a period [1, 12].
Accounts payable Turning Days	APTD	(Accounts payable/purchases)* No. of days in a period [12, 76].
Operating Cash Cycle	OCC	Accounts payable turning days + Inventory turning days [1, 26].
Cash Conversion Cycle	CCC	Accounts payable turning days + Inventory turning days - Accounts payable turning days [1, 76, 97].
<b>Control variables</b>		
Size	Size	Natural logarithm of quarterly sales [76].
Return on Assets	ROA	EBIT / Total assets [96, 110].
Industry Dummy	Industry Fixed Effects	Dummies of industries to control potential influence of industries.
Time Dummy	Time Fixed Effects	Dummies of quarters to control the effect of time.